#### **Notice of Funding Availability (NOFA)**

# MULTIFAMILY HOUSING SECTION (MHS) JOE SERNA, JR. FARMWORKER HOUSING GRANT PROGRAM MULTIFAMILY RENTAL HOUSING January 18, 2007

State of California Department of Housing and Community Development

## NOTICE OF FUNDING AVAILABILITY (NOFA) MULTIFAMILY HOUSING SECTION

#### JOE SERNA, JR. FARMWORKER HOUSING GRANT PROGRAM

#### **MULTIFAMILY RENTAL HOUSING**

#### **January 18, 2007**

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### DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT DIVISION OF FINANCIAL ASSISTANCE

1800 Third Street, Suite 390 P. O. Box 952054 Sacramento, CA 94252-2054 (916) 323-3178 FAX (916) 445-0117



# NOTICE OF FUNDING AVAILABILITY JOE SERNA, JR. FARMWORKER HOUSING GRANT PROGRAM MULTIFAMILY RENTAL HOUSING

January 18, 2007

**Serna Farmworker Program Funds: \$15 million** 

#### A. Introduction

The California Department of Housing and Community Development (hereinafter "HCD" or "Department") is pleased to announce that it is accepting applications under the Joe Serna, Jr. Farmworker Housing Grant Program (Serna Farmworker Program). This Notice of Funding Available (NOFA) makes approximately \$15,000,000 (fifteen million dollars) available from the proceeds of bonds authorized by the Housing and Emergency Shelter Trust Fund Act of 2006, Proposition 1C. As discussed in stakeholder meetings, the Department is working on regulation modifications for program improvement. Upon the completion of the regulation modifications, it is the Department's intent to issue a second Serna NOFA this calendar year for \$18 million.

Applications will be accepted on an "over the counter" basis until available funds are exhausted. Applications will be accepted beginning at 8:00 a.m., Pacific Standard Time, on Friday, February 9, 2007 and until 5:00 p.m., Pacific Daylight Time, on Friday, April 27, 2007 or until such time before April 27<sup>th</sup> that the Department has received what it determines to be a sufficient number of applications to reasonably use all funds currently available. HCD reserves the right, at its sole discretion, to suspend, amend, or modify the provisions of this NOFA. If such an action occurs, HCD will notify all interested parties.

#### B. <u>Application Packaging and Submittal</u>

The "State Universal Application" is being utilized for the first time by the Department. The body of the application is intended to be common to the Serna Farmworker Housing Program, other Department programs, California Housing and Finance Agency (CalHFA), and the California Tax Credit Allocation Committee (TCAC). However, the "Universal Application" being used as part of the application package for this NOFA has not, as yet, been approved by all the State agencies other than the Department. The application package also includes Attachments specific to the requirements of the MHP Serna Farmworker Housing Program. It is imperative that Applicants attend one of the Serna Farmworker Applications workshops (see paragraph D) prior to submitting an application.

Applications are available on the Department's web site: <a href="www.hcd.ca.gov/ca/fwhg">www.hcd.ca.gov/ca/fwhg</a> or by mail when requested.

Applications must be delivered to one of the following addresses:

	Private Carrier
Coral Gaines	Coral Gaines
Department of Housing and	Department of Housing and Community
Community Development	Development
Division of Financial Assistance	Division of Financial Assistance
P.O. Box 952054	1800 Third Street, Room 390
Sacramento, CA 94252-2054	Sacramento, CA 95814

Applications are to be submitted in **duplicate** and must be made on the forms provided by the Department. Application forms shall not be modified. Applications having material internal inconsistencies or lacking essential information will be considered incomplete and will be held pending clarification or correction. In order to assure prompt consideration and correct evaluation, applicants are advised to pay special attention to Serna Farmworker Program Regulations Section 7218, "Contents of Grant Applications" and to read the Application Package carefully, being sure to provide all required information and accompanying documentation.

It is the applicant's responsibility to ensure that its application is clear, complete and accurate. After the application has been received, the Department may request clarifying information.

#### C. <u>Application Review and Evaluation</u>

All Serna Farmworker multifamily rental projects including those receiving financing from the United States Department of Agriculture/Rural Development (USDA/RD) will be reviewed, processed and underwritten by the Department's Rental Housing Development Section (RHDS). Contact information for RHDS is located at the end of this NOFA. Questions regarding these applications should be addressed to RHDS Staff.

Applications will be reviewed in the order in which they are received. The Department will endeavor to complete an initial staff review within 30 working days after receipt of the application. The initial staff review will include determinations of completeness and, threshold eligibility issues. Qualifying projects will then move forward into a feasibility review. Qualified projects meeting underwriting, site and design criteria, as outlined in Serna Farmworker Program Regulations Sections 7204, 7206, 7208, and 7210; and, UMR Section 8300, et seq. and successfully passing all reviews will be scheduled for presentation to the Department's Local Assistance Loan and Grant Committee (the "Committee") each month beginning in March 2007. The Department will endeavor to schedule all recommended applications for presentation before the next Committee Meeting held 60 days after receipt of the last item required for review. The Department's date stamp on the last item required to complete the review will be used to determine the order in which applications are to be awarded funds and presented to the Committee.

The Department will give notice on the Department's website when a sufficient number of applications have been received to exhaust the Serna Farmworker Housing funds offered under this NOFA. Applications will not be accepted after such notice. Any applications received prior to the notice that are deemed eligible for funding will be prioritized based on the Department's date and time stamp for the completed application. When the \$15.0 million in Serna Farmworker Rental Housing funds has been exhausted, any remaining applications may be returned to the Sponsor for submittal in a future funding round. The Department reserves the right to award more than \$15.0 million under this NOFA if necessary to fully fund the last approved project and may issue a second NOFA in calendar year 2007.

Applicants must be eligible and must demonstrate their ability to proceed with construction or rehabilitation of the proposed housing development ("capacity") (Serna Farmworker Program Regulations Section 7204(a) (2)). Additionally, applicants must demonstrate that they have site control that is satisfactory to the Department (UMR Section 8303). The proposed housing development must be eligible per Serna Farmworker Program Regulations Section 7204(b), including provision of assisted units; and maximize, to the greatest extent possible, occupancy by low-income agricultural households. All proposed uses of Program funds must be eligible per Serna Farmworker Program Regulations Section 7206. The Program will endeavor to conduct its completeness and eligibility review within thirty (30) calendar days following receipt of an application. Applicants will be promptly notified, in writing, of the results of this initial review. Applicants may be asked to provide corrected or additional information before passing on to the more detailed evaluation outlined below.

Only applications that are judged complete and eligible will undergo further evaluation by program staff to determine whether a positive or negative funding recommendation will be made to the Committee. Until an application is judged complete, further processing may be delayed and other applications which are deemed complete will receive priority for available funds. That evaluation will include: a detailed analysis of the financial aspects of the project to determine if the amount of Program funds are appropriate. The analysis will include a consideration of: development and permanent financing, including other sources of subsidy; operating budget projections; and, overall cost effectiveness. Additional information may be solicited from the applicant during this process. Following this evaluation, Staff will present their findings to the Committee. All applicants whose projects are to be presented to the Committee will be notified of the date, time, and place of the meeting. Applicants will be notified in writing of the Committee's action. An application recommended for approval by the Committee and then approved by the Director of the Department will receive an award package that contains the procedures, requirements, and any special conditions needed for funding the grant or loan. If an application is rejected by the Department, the applicant will be sent a letter indicating the reasons for such rejection and the rights to appeal the decision.

#### D. Application Workshops

To assist applicants in preparing their applications, the Department will conduct application workshops. As stated previously, the Department is implementing the use of the state "Universal Application" format and <u>it is imperative that Applicants attend one of the Serna Farmworker Applications workshops prior to submitting an application.</u> Workshop attendance will assist the applicant with application preparation. Time is also set aside for

answering individual applicant project related questions. If after attending one of the workshops you still have questions about the application process, please contact the RHDS program staff.

Application workshops are scheduled as follows:

Date	Location	Time
February 1, 2007	Department of Housing and Community Development 1800 3 <sup>rd</sup> Street, Room 183 Sacramento, CA 95814	1 p.m. to 4 p.m.
February 6, 2007	State Department of General Services 3737 Main Street, Arlington Room Riverside, CA 92501	9 a.m. to 12 p.m.
February 7, 2007	Self Help Enterprises 8445 West Elowin Court Visalia, CA 93290	9 a.m. to 12 p.m.

For more detailed information, refer to the HCD' website at <a href="http://www.hcd.ca.gov/ca/fwhg/">http://www.hcd.ca.gov/ca/fwhg/</a>.

In order to ensure that we have adequate seating and handouts at the workshops, please contact Coral Gaines as to which workshop session you will be attending:

Dept of Housing and Community Development Division of Financial Assistance Serna Farmworker Program 1800 – 3<sup>rd</sup> Street, MS 390-5 Sacramento, CA 95814 Phone: (916) 323-3178

Phone: (916) 323-3178 Fax: (916) 445-0117

E-mail: CGaines@hcd.ca.gov

#### PROGRAM DESCRIPTION

#### E. Program Summary

The purpose of the Serna Farmworker Program is to provide grants, or loans, or both for the development, construction and/or rehabilitation of multifamily rental housing for agricultural workers and their families. Migrant Housing projects are eligible to apply for funds under this NOFA. Single family and owner-occupied rehabilitation projects are not eligible to apply under this NOFA.

The Program is subject to the requirements of Health and Safety Code Section 50517.5 et seq., the Farmworker Housing Grant regulations set forth in California Code of Regulations, title 25, commencing with Section 7200 et seq. (referred to in this NOFA as the "Serna Farmworker Program Regulations"), and the Uniform Multifamily Regulations ("UMR") set forth in California Code of Regulations, title 25, commencing with Section 8300. Applicants should fully familiarize themselves with these statutes and regulations. The Serna Farmworker Program Regulations can be obtained on the

Department's website at <a href="http://www.hcd.ca.gov/ca/fwhg/">http://www.hcd.ca.gov/ca/fwhg/</a>. The UMR's can be obtained from the Department's website at <a href="http://www.hcd.ca.gov/ca/mhp/">http://www.hcd.ca.gov/ca/fwhg/</a>.

#### G. Eligible Project Sponsors

Local public entities, non-profit corporations, cooperative housing corporations, federally-recognized Indian tribes, and limited partnerships (where all of the general partners are nonprofit mutual or public benefit corporations) are eligible to apply and receive grants, loans or a combination of both. The Department will evaluate all nonprofit applicants, including the roles of the nonprofit general partner(s) in a limited partnership. The nonprofit entity will be reviewed to determine if adequate staffing levels exist to undertake and complete the project.

For all eligible Applicants, any identity of interest shall be examined to determine if it is cause for undue financial enrichment or other unacceptable conflicts of interest. The discussion herein of evaluations is neither exhaustive nor complete. The Department reserves the right to find applicants ineligible based on these evaluations.

Pursuant to UMR section 8301(r) the Sponsor must have "continuing control" of the Rental Housing Development. Where the borrowing entity is or will be organized as a limited partnership, the Sponsor with the experience shown in the application shall be, or have direct control of, the general partner of the limited partnership and have effective control over the operation of the partnership and development of the project. The regulations do not envision multiple levels of organizational structure with tenuous control of the various entities. The Sponsor, therefore, shall be and remain the Borrower, General Partner of the Borrower, or, if required by other financing sources, directly control and be only one level removed from the general partner. If another financing source for the project requires the Sponsor to create a separate ownership entity where the Sponsor is not the general partner, those requirements should be presented in the application. The organizational structure of the Borrower, including the control and ownership by the Sponsor or Sponsors, must be reviewed and approved by the Department and must comply with all program requirements.

The Department will evaluate all Limited Partnership applicants to determine if the nonprofit General Partner(s)'s roles and responsibilities in the project development and operations are commensurate with activities normally undertaken or controlled by managing general partners. In general, the Department will analyze the partnership agreement, and side/operating agreements between the general partner and third parties or limited partners for construction, maintenance and operation of the project, including allocation of developer fees to ascertain that the general partner is in control of the project. If entities other than the nonprofit General Partner(s) are in control of the project, and/or receive the majority of fees and/or income from the operation of the Project, the application will be found ineligible.

The following factors will be considered in determining the eligibility of a nonprofit corporation as a general partner(s) of a limited partnership.

It should be clearly evident that the limited partnership agreement provides for the designation of a managing partner and delineates its rights, responsibilities and, if appropriate, compensation. The limited partnership agreement typically contains a broad delegation of authority to the managing general partner; however, attention should be specifically focused on which decisions are reserved for the managing general partner, other general partners and the partnership as a whole.

The managing general partner's responsibilities and duties, as stated in the limited partnership agreement, must reflect that it is, in fact, managing the partnership. For example, if the managing general partner's sole duty is to maintain its status as a tax-exempt nonprofit organization under federal law (IRC, section 501(c)) the organization does not meet the managing general partner requirement due to an absence of management responsibilities and duties.

#### Limited partnerships are eligible only if:

- 1. All of the general partners are nonprofit mutual or public benefit corporations [statutory requirement].
- 2. The managing general partner has more than 50 percent of the ownership interest of the general partners, and receives more than 50 percent of the profits, losses, gains, developer fee and cash distributions accruing to the partners, other than those accruing to the limited partners.
- The managing general partner actually performs substantially all of the following functions:
  - (A) Employs and maintains a staff that has the experience and ability to perform the responsibilities and functions of the partnership
  - (B) Rents, maintains and repairs the low-income housing property, or if such duties are delegated to a property management agent, hires and oversees the work of the property management agent;
  - (C) Hires and oversees the work of all persons necessary to provide services for the management and operation of the limited partnership business;
  - (D) Executes and enforces all contracts executed by the limited partnership;
  - (E) Executes and delivers all partnership documents on behalf of the limited partnership;
  - (F) Prepares or causes to be prepared all reports to be provided to the partners or lenders on a monthly, quarterly, or annual basis consistent with the requirements of the limited partnership agreement;
  - (G) Coordinates all present and future development, construction, or rehabilitation of low-income housing property that is the subject of the limited partnership agreement;
  - (H) Monitors compliance with all government regulations and files or supervises the filing of all required documents with government agencies;
  - (I) Acquires, holds, assigns or disposes of property or any interest in property;

- (J) Borrows money on behalf of the limited partnership, encumbers limited partnership assets, places title in the name of a nominee to obtain financing, prepays in whole or in part, refinances, increases, modifies or extends any obligation;
- (K) Pays organizational expenses incurred in the creation of the partnership and all operational expenses;
- (L) Determines the amount and timing of distributions to partners and establishes and maintains all required reserves.

"Local public entity" means any county, city, city and county, redevelopment agency or public housing authority, and also includes any state agency, public district or other political subdivision of the state, and any instrumentality thereof, which is authorized to engage in or assist in the development or operation of housing for persons and families of low income. It also includes the governing body or housing authority of a federal recognized Indian tribe. It also includes two or more local public entities acting jointly.

#### H. Eligible Uses of Funds

Funds may be used for costs related to rental housing development including: land acquisition, predevelopment activities, site development, new construction, and rehabilitation. A full list of eligible expenditures may be found at Serna Farmworker Program Regulations Section 7206(a) and (c).

#### I. Ineligible Uses of Funds

The grant, loan or combination of both may not be used for a recipient's administrative costs except those directly related and necessary to a recipient's implementation of the grant, loan or combination of both. No part of the funds may be used for project organization or planning for the housing development (Serna Farmworker Program Regulations Section 7206(b)). It is the Program's policy that Developer Fees are considered organizational and planning costs and may not be charged to the grant, loan or combination of both.

#### J. <u>Eligible Projects</u>

An eligible project is residential housing that is developed or rehabilitated along with the related support facilities necessary to such housing and that includes units that will house agricultural households. Separate applications must be submitted for multiple sites or for multiple activities at the same site. Each application will be considered on its own merits and without regard for "related" applications.

Projects will be located in areas with low vacancy rates and where demand for Agricultural worker units is demonstrably strong. A market study shall be provided that identifies all income segments of the target population and the project shall target the lowest income "Agricultural households" consistent with maintaining project financial feasibility and conformance with the Uniform Multifamily Regulations.

#### K. Projects with Extraordinarily High Development Costs

The Department is concerned about the extremely high cost of a number of projects funded in the recent past, and the extraordinary level of public subsidy required by these projects. The Department may require thorough justification for development for any project that the Department determines exceeds a normal range of development cost for its market area. In this period of rapidly rising development costs, it is especially important to encourage Serna Farmworker funding of otherwise qualified projects that are able to minimize costs, without sacrificing design elements that are cost effective in the long run or meet vital needs of project residents.

In light of this concern, and consistent with UMR Section 8311, the Department reserves the right to reject an application if total development cost exceeds an amount that cannot be reasonably justified, in comparison to the costs for other similar developments of modest design in the general area. Projects may be required to justify the total development cost if the cost substantially exceeds the Department's historical project costs for similar projects, with an allowance for increased construction costs.

In evaluating projects with high per unit costs, the Department will closely scrutinize the justification that costly design features were necessary to obtain local approvals or neighborhood acceptance. Similarly, the Department will be giving close scrutiny to projects with extraordinary site development costs (where they are not fully compensated for by a sharply discounted purchase price), or where the constraints of the site necessitate an especially expensive design.

Although the Department appreciates that individual developers may experience great difficulty locating more appropriate sites, it has concluded that the interests of the Program are best served by avoiding excessive site- and design-related costs.

#### L. Maximum Loan and Grant Amounts

- 1. Acquisition and Substantial Multifamily Rehabilitation or Substantial Multifamily Rehabilitation only projects: maximum Two Million Dollars (\$2,000,000).
- 2. New Construction Non Tax Credit or projects using 4 percent Low-Income Housing Tax Credits: a maximum Three Million Five Hundred Thousand Dollars (\$3,500,000)
- 3. Multifamily New Construction projects using 9 percent Low-Income Housing Tax Credits: a maximum One Million five hundred Thousand Dollars (\$1,500,000).

Applicants must indicate at time of application if they will be requesting a grant, loan or a combination of grant and loan.

The Department also reserves the right to reduce the requested amount of funding for any given project based upon Staff's analysis of the project's financing structure and the amount of funds necessary for the project to be financially feasible and meet the Department's underwriting requirements.

#### M. <u>Match Requirements</u>

Applicants must demonstrate, to the satisfaction of the Department that they can and will provide a "matching share" of funds in an amount at least equal to the requested grant or loan. "Matching share" means the proceeds of: Local, State, and Federal grants and loans; private loans; cash investments; in-kind contributions; or local government fee waivers that are sources, in part, of the total development or rehabilitation cost of the housing development. Applicants with rehabilitation projects who are proposing the use of in-kind contributions consisting of the value of existing structures as their matching share will have the valuation of those improvements closely scrutinized by the Department and should present adequate data about the prerehabilitation value of the property. In addition, the use of existing structures as in-kind match contributions will be limited to 50 percent of the required total match. Please Note: A potential source of matching funds for rental projects is the United States Department of Agriculture's Rural Housing Service (RHS). RHS typically issues a NOFA for their Section 514/516 Farm Labor Housing Loans and Grants sometime in the first two calendar months of the year. This financing also offers an opportunity for rental assistance subsidy that can greatly enhance project feasibility. Other HCD funds count as match, examples are: CalHome, Community Development Block Grant (CDBG) and HOME funds.

#### N. Market Study and Appraisal

A market study must be prepared pursuant to the Market Study Guidelines that the California Tax Credit Allocation Committee (TCAC) published February 2006 and located at: (http://www.treasurer.ca.gov/ctcac/ctcac.htm) as well as the requirements specified below. Besides demonstrating the overall demand for the rental housing units within the market area, the purpose of the market analysis is to demonstrate the extent of effective demand for the rental units that will be occupied by members of the Serna Farmworker Program eligible targeted population- "agricultural workers". "Agricultural workers" must be engaged in "agricultural employment" and these jobs typically pay lower wages than workers engaged in later stage manufacturing activities, e.g., food processing. The market analysis must include information that documents the extent of the demand for the housing units from this specific category of worker, as well as, the ability of these workers to pay the proposed rents. The market study requirements for the Serna Program are located on the Department's website at: http://www.hcd.ca.gov/ca/fwhg/. Please note that TCAC approval of the Market Study does not guarantee HCD approval nor shall HCD be held to TCAC evaluative methods or guideline interpretations.

If a proposed project requires/required the acquisition of unimproved or improved real property, the appraisal used as the basis for the value of the real property acquisition should be submitted with the application if available. The appraisal should conform to accepted appraisal methods and standards. If a method other than a formal appraisal was/is used for the valuation of the real property, submit documentation for that method and the resulting valuation.

#### O. Loan and Grant Terms and Security

All recipients of grant funds will be required to execute and record a Grant Lien and Regulatory Agreement for the purposes of securing performance of the grant or loan

conditions. In addition, recipients of loan funds will be required to execute a Promissory Note and a Deed of Trust and record the Deed of Trust in a lien position immediately succeeding the Regulatory Agreement. The lien position(s) occupied by the Serna Farmworker Program Deed of Trust and Subsequent Deeds of Trust are subject to Department approval. Any potential Department subordination is subject to UMR Section 8315.

Regulatory Agreement time frames:

- Loans have a term of fifty-five (55) years.
- Grants have a term of forty (40) years.

#### P. Occupancy Restrictions and Rent Limits

Projects shall target the lowest income Agricultural households supported by the Market Study and consistent with project financial feasibility. Restricted rents for Assisted Units shall not exceed 30 percent of the percentage of the Area Median Income (AMI) used to target the Agricultural households.

The eligible occupants of Serna Farmworker Program assisted units are "Agricultural households". Agricultural households are comprised of household with at least one "Agricultural worker". An Agricultural worker is an individual who derives, or prior to retirement or disability derived, a substantial portion of his/her income from "agricultural employment". Agricultural employment is defined as: being employed in the cultivation and tillage of the soil; the production, cultivation, growing and harvesting of any agricultural or horticultural commodities; the raising of livestock, bees, fur bearing animals, or poultry; dairying, forestry, and lumbering operations; and any work on a farm as incident to or in conjunction with such farming operations, including the delivery and preparation of commodities for market or storage. Agricultural employment is **not** employment in canning or processing plants or wineries where the employee is refining the raw product.

- 1. When the funds granted by the Department constitute an amount less than 25% of the total development/rehabilitation cost or value of an assisted project, whichever is applicable, the number of units subject to agricultural household occupancy and resale restrictions (assisted units) shall be as follows: For every 1% of the total development/rehabilitation cost or value which the funds granted by the Department constitute, a minimum of 2% of the total number of units of the housing development shall be designated as assisted units.
- 2. When the funds granted by the Department constitute an amount of 25% or more of the total development/rehabilitation cost or value of a housing development, all of the units of the housing development shall be designated as assisted.
- 3. Rent limits for initial occupancy and for each subsequent occupancy by a new eligible household shall apply to all assisted units. Such limits shall be based on unit type, applicable income limit, and area in which the Project is located in accordance with subdivision (b) of Health and Safety Code Section 50053 and shall comply with the requirements of Article XXXIV as specified in Paragraph Q below.

#### Q. <u>Article XXXIV Requirements</u>

Article XXXIV of the California Constitution requires advanced voter approval of certain publicly funded and regulated low-income housing projects. Under the requirements of this NOFA, Projects funded by the Serna Farmworker Program must either have Article XXXIV approval or be exempt from the need for this approval. Unless there is Article XXXIV authority or an exemption, no more than 49 percent of the total units will be rent restricted by HCD to the AMI level that targets the lowest income Agricultural households consistent with project financial feasibility but no higher than the 50 percent AMI level.

#### R. <u>Developer Fee and Distribution Limitations</u>

Developer fees mean the same as the definition of that term in the California Code of Regulations, Title 4, Section 10302. Developer fees are limited in accordance with the schedule shown in UMR Section 8312, which was adjusted for inflation in 2006 pursuant to UMR Section 8312. Distributions to the sponsor out of operating income are also limited in accordance with UMR Sections 8312 and 8314. The 2006 Developer Fee limits currently in effect (until revised for 2007 – reference the Department website in the spring of 2007) are as follows:

- For new construction projects and rehabilitation projects where the cost of the rehabilitation (excluding contractor overhead and profit) is equal to or greater than \$25,000: \$21,000 for the first 30 units and \$8,500 for units over 30.
- For acquisition/rehabilitation projects where the cost of rehabilitation is at least \$7,500 per unit but less than \$25,000 per unit: \$10,000 for the first 30 units and \$4,500 for units over 30.

Developer fees are not an eligible use of program funds. Developer fees paid from any source are specifically limited in any project in which the Serna Farmworker Program is a financial participant.

#### S. <u>Prevailing Wage Requirements</u>

Any project awarded grants or loans under this NOFA shall be subject to the payment of State Prevailing Wages under Section 1720 of the California Labor Code. Construction estimates and budgets should be adjusted to reflect this requirement. Any questions of interpretation regarding the Labor Code should be directed to the Director of the Department of Industrial Relations, the State department having jurisdiction in these matters.

#### T. <u>Timeframes for Use of Program Funds</u>

Successful applicants shall enter into a Standard Agreement with the Department for a term of three (3) years. The Standard Agreement will require a recipient to meet, or evidence progress in meeting, certain pre-disbursement and special conditions during the first twelve (12) months of the contract. Failure to meet this requirement may result in disencumbrance of funds and cancellation of the Standard Agreement.

For successful applicants that are proposing the use of Low Income Housing Tax Credits as part of project financing, and have not already received a reservation of tax credits, the Standard Agreement will allow the applicant to apply for such a reservation at the next two subsequent opportunities following the receipt of a Serna Farmworker Program award. An applicant that does not receive a tax credit reservation in the timeframe described above must demonstrate, within ninety (90) days of the second tax credit application, that it has made reasonable progress toward securing acceptable alternative financing. The Department, at its sole discretion, may disencumber the funds and terminate the Standard Agreement if the Department determines that the progress demonstrated by the applicant is not satisfactory.

Projects that have already applied to USDA/RD, CalHFA, or other Departmental funding sources should submit along with the Serna Farmworker Program Application a copy of the application (including applicable attachments) submitted to the other funding sources mentioned above.

#### U. <u>Disclosure of Application</u>

Information provided in this application will become a public record available for review by the public pursuant to the Public Records Act. As such, any materials provided will be disclosable to any person making a public records request. As such, we caution you to use discretion in providing us with information that is not specifically requested, including but not limited to, bank account numbers, personal phone numbers and home addresses. By providing this information to the Department, the sponsor is waiving any claim of confidentiality and consents to the disclosure of all submitted material upon request.

Applicants may write, call, e-mail, or visit HCD's website for an application package at the address, telephone number, e-mail address or website listed below.

Please direct your requests for applications or more information about this announcement to:

Department of Housing and Community Development Division of Financial Assistance Serna Farmworker Program P.O. Box 952054, MS 390-5 Sacramento, California 94252-2054 (916) 323-3178 (916) 445-0117(FAX)

or e-mail to: <a href="mailto:cgaines@hcd.ca.gov">cgaines@hcd.ca.gov</a>

website: <a href="http://www.hcd.ca.gov/ca/fwhg">http://www.hcd.ca.gov/ca/fwhg</a>

Staff contacts for the Joe Serna Jr. Farmworker Housing Grant Program:

Benjamin Dudek	(916) 445-6508	bdudek@hcd,ca.gov
Fred Rodgers	(916) 324-2724	frodgers@hcd.ca.gov
Marc Florio	(916) 322-2053	mflorio@hcd.ca.gov
Donald Rubin	(916) 322-0921	drubin@hcd.ca.gov
Peter Sigmann	(916) 324-6751	psigman@hcd.ca.gov

Thank you for your interest in the Joe Serna, Jr. Farmworker Housing Grant Program.

Sincerely yours,

Richard L. Friedman Deputy Director Division of Financial Assistance